

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

BRIAN LAM; NINESQUARE
CAPITAL PARTNERS LLC;
NATHAN NHAN NGUYEN; and
NGUYEN GROUP LLC,

Defendants,

and

YI PING LU; and THY STACY
NGUYEN

Relief Defendants.

Case No. 2:22-cv-06831-WLH-E

**FINAL JUDGMENT AS TO
DEFENDANT BRIAN LAM**

1 WHEREAS, on March 21, 2023 the Court entered a bifurcated consent
2 judgment against Defendant Brian Lam (“Defendant”) (Dkt No. 32), ordering, among
3 other relief which is replicated below, that upon motion of the Securities and
4 Exchange Commission (“Commission”) Defendant shall pay disgorgement of ill-
5 gotten gains and prejudgment interest thereon, and a civil penalty pursuant to Section
6 20(d) of the Securities Act of 1933 (the “Securities Act”) [15 U.S.C. § 77t(d)] and
7 Section 21(d)(3) of the Securities Exchange Act of 1934 (the “Exchange Act”) [15
8 U.S.C. § 78u(d)(3)], and the Court having now considered the SEC’s Partially
9 Unopposed Motion for Monetary Relief Against Defendants and Relief Defendants,
10 the supporting Memorandum of Points and Authorities, the supporting declarations
11 and exhibits, and the other evidence and argument presented to the Court, finds that:

12 I.

13 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is
14 permanently restrained and enjoined from violating, directly or indirectly, Section
15 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. §
16 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using
17 any means or instrumentality of interstate commerce, or of the mails, or of any
18 facility of any national securities exchange, in connection with the purchase or sale of
19 any security:

- 20 (a) to employ any device, scheme, or artifice to defraud;
21 (b) to make any untrue statement of a material fact or to omit to state a
22 material fact necessary in order to make the statements made, in the light
23 of the circumstances under which they were made, not misleading; or
24 (c) to engage in any act, practice, or course of business which operates or
25 would operate as a fraud or deceit upon any person.

26 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
27 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
28 binds the following who receive actual notice of this Final Judgment by personal

1 service or otherwise: (a) Defendant's officers, agents, servants, employees, and
2 attorneys; and (b) other persons in active concert or participation with Defendant or
3 with anyone described in (a).

4
5 II.

6 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
7 Defendant is permanently restrained and enjoined from violating Section 17(a) of the
8 Securities Act of 1933 (the "Securities Act") [15 U.S.C. § 77q(a)] in the offer or sale
9 of any security by the use of any means or instruments of transportation or
10 communication in interstate commerce or by use of the mails, directly or indirectly:

- 11 (a) to employ any device, scheme, or artifice to defraud;
12 (b) to obtain money or property by means of any untrue statement of a
13 material fact or any omission of a material fact necessary in order to
14 make the statements made, in light of the circumstances under which
15 they were made, not misleading; or
16 (c) to engage in any transaction, practice, or course of business which
17 operates or would operate as a fraud or deceit upon the purchaser.

18 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
19 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
20 binds the following who receive actual notice of this Final Judgment by personal
21 service or otherwise: (a) Defendant's officers, agents, servants, employees, and
22 attorneys; and (b) other persons in active concert or participation with Defendant or
23 with anyone described in (a).

24 III.

25 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
26 Defendant is permanently restrained and enjoined from violating Section 5 of the
27 Securities Act [15 U.S.C. § 77e] by, directly or indirectly, in the absence of any
28 applicable exemption:

- 1 (a) Unless a registration statement is in effect as to a security, making use of
2 any means or instruments of transportation or communication in
3 interstate commerce or of the mails to sell such security through the use
4 or medium of any prospectus or otherwise;
- 5 (b) Unless a registration statement is in effect as to a security, carrying or
6 causing to be carried through the mails or in interstate commerce, by any
7 means or instruments of transportation, any such security for the purpose
8 of sale or for delivery after sale; or
- 9 (c) Making use of any means or instruments of transportation or
10 communication in interstate commerce or of the mails to offer to sell or
11 offer to buy through the use or medium of any prospectus or otherwise
12 any security, unless a registration statement has been filed with the
13 Commission as to such security, or while the registration statement is the
14 subject of a refusal order or stop order or (prior to the effective date of
15 the registration statement) any public proceeding or examination under
16 Section 8 of the Securities Act [15 U.S.C. § 77h].

17 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
18 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
19 binds the following who receive actual notice of this Final Judgment by personal
20 service or otherwise: (a) Defendant's officers, agents, servants, employees, and
21 attorneys; and (b) other persons in active concert or participation with Defendant or
22 with anyone described in (a).

23 IV.

24 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant
25 is permanently restrained and enjoined from violating Section 206(4) of the
26 Investment Advisers Act of 1940 (the "Advisers Act") [15 U.S.C. § 80b-6(4) and
27 Rule 206(4)-8 thereunder [17 C.F.R. § 275.206(4)-8], by, directly or indirectly, by the
28 use of any means or instrumentality of interstate commerce, while acting as an

1 investment adviser to a pooled investment vehicle:

- 2 (a) making any true statement of a material fact or omitting to state a
3 material fact necessary to make the statements made, in the light of the
4 circumstances under which they were made, no misleading, to any
5 investor or prospective investor in the pooled investment vehicle; or
6 (b) otherwise engaging in any act, practice, or course of business that is
7 fraudulent, deceptive, or manipulative with respect to any investor or
8 prospective investor in the pooled investment vehicle.

9 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
10 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
11 binds the following who receive actual notice of this Final Judgment by personal
12 service or otherwise: (a) Defendant's officers, agents, servants, employees, and
13 attorneys; and (b) other persons in active concert or participation with Defendant or
14 with anyone described in (a).

15 V.

16 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that pursuant to
17 Section 21(d)(5) of the Exchange Act [15 U.S.C. § 78u(d)(5)], Defendant is
18 permanently restrained and enjoined from directly or indirectly, including but not
19 limited to, through any entity owned or controlled by him, participating in the
20 issuance, purchase, offer, or sale of any security in an unregistered offering.

21 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
22 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
23 binds the following who receive actual notice of this Final Judgment by personal
24 service or otherwise: (a) Defendant's officers, agents, servants, employees, and
25 attorneys; and (b) other persons in active concert or participation with Defendant or
26 with anyone described in (a).

27 VI.

28 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that

1 Defendant is liable for disgorgement (1) disgorgement of \$3,167,688, representing
2 net profits gained as a result of the conduct alleged in the Complaint, together with
3 prejudgment interest thereon in the amount of \$650,252, of which the entire amount
4 of disgorgement and prejudgment interest is jointly and severally liable with
5 Defendant NineSquare and \$434,692 of the disgorgement¹ is jointly and severally
6 liable with relief defendant Yi Ping Lu,² and (2) a civil penalty in the amount of
7 \$3,167,688 pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)],
8 Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)], and Section 209(e) of the
9 Advisers Act [15 U.S.C. § 80b-9(e)], as to *each* Defendant Lam and Defendant
10 NineSquare. Defendant shall satisfy this obligation by paying \$6,985,628 to the
11 Securities and Exchange Commission within 30 days after entry of this Final
12 Judgment.

13 Defendant may transmit payment electronically to the Commission, which will
14 provide detailed ACH transfer/Fedwire instructions upon request. Payment may also
15 be made directly from a bank account via Pay.gov through the SEC website at
16 <http://www.sec.gov/about/offices/ofm.htm>. Defendant may also pay by certified
17 check, bank cashier's check, or United States postal money order payable to the
18 Securities and Exchange Commission, which shall be delivered or mailed to

19
20 Enterprise Services Center
21 Accounts Receivable Branch

22
23 ¹ Though the SEC also sought prejudgment interest against Relief Defendant Lu in
24 the amount of \$89,232, as a matter of equity, the Court reduces this amount to \$0.
25 *See U.S.S.E.C. v. Henke*, 275 F.Supp.2d 1075, 1082 (N.D. Cal. 2003) (“Whether
26 prejudgment interest should be awarded is a ‘question of fairness, lying with the
27 [trial] court’s sound discretion, to be answered by balancing the equities”) (quoting
28 *Knapp v. Ernst & Whitney*, 90 F.3d 1431, 1441 (9th Cir. 1996)). As an unknowing
relief defendant, the Court sympathizes with Relief Defendant Lu’s position.

² Upon Defendant Lam’s payment of at least \$434,692, Relief Defendant Lu’s
disgorgement obligation, however, is extinguished.

6500 South MacArthur Boulevard

Oklahoma City, OK 73169

and shall be accompanied by a letter identifying the case title, civil action number, and name of this Court; Brian Lam as a defendant in this action; and specifying that payment is made pursuant to this Final Judgment.

Defendant shall simultaneously transmit photocopies of evidence of payment and case identifying information to the Commission's counsel in this action. By making this payment, Defendant relinquishes all legal and equitable right, title, and interest in such funds and no part of the funds shall be returned to Defendant.

The Commission may enforce the Court's judgment for disgorgement and prejudgment interest by using all collection procedures authorized by law, including, but not limited to, moving for civil contempt at any time after 30 days following entry of this Final Judgment.

The Commission may enforce the Court's judgment for penalties by the use of all collection procedures authorized by law, including the Federal Debt Collection Procedures Act, 28 U.S.C. § 3001 et seq., and moving for civil contempt for the violation of any Court orders issued in this action. Defendant shall pay post judgment interest on any amounts due after 30 days of the entry of this Final Judgment pursuant to 28 U.S.C. § 1961. The Commission shall hold the funds, together with any interest and income earned thereon (collectively, the "Fund"), pending further order of the Court.

The Commission may propose a plan to distribute the Fund subject to the Court's approval. Such a plan may provide that the Fund shall be distributed pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002. The Court shall retain jurisdiction over the administration of any distribution of the Fund and the Fund may only be disbursed pursuant to an Order of the Court.

Regardless of whether any such Fair Fund distribution is made, amounts ordered to be paid as civil penalties pursuant to this Final Judgment shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Defendant shall not, after offset or reduction of any award of compensatory damages in any Related Investor Action based on Defendant's payment of disgorgement in this action, argue that he is entitled to, nor shall he further benefit by, offset or reduction of such compensatory damages award by the amount of any part of Defendant's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Defendant shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as the Commission directs. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this Final Judgment. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Defendant by or on behalf of one or more investors based on substantially the same facts as alleged in the Complaint in this action.


VII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. § 523, the allegations in the complaint are true and admitted by Defendant, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Defendant under this Final Judgment or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Defendant of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. § 523(a)(19).

VIII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

Dated: March 10, 2025



HON. WESLEY L. HSU
UNITED STATES DISTRICT JUDGE